

Administrative Release



Comptroller of the Treasury • Alcohol & Tobacco Tax Unit • Goldstein Treasury Building • Annapolis, Maryland 21404-2999
410-974-3314

No. AB-14

May 26, 1998

TO: Wholesalers, Non-Resident Dealers and other interested parties

SUBJECT: Trade Practices - Radio Station Promotions

This administrative release addresses the use of advertising on radio stations which mention retail licensees and on-site promotional activities conducted by personnel of radio stations.

We are aware that it may be common practice for radio stations to give “free spots” to suppliers and wholesalers who may purchase a specific number of radio advertisements from the station. While the paid advertisements are general in nature (i.e. do not mention one or more specific retailers), the free spots may refer to a retail account. Sometimes this mention is done in connection with an on-site “remote” conducted by the radio station.

Such activities could be construed as a supplier or wholesaler providing something of value to a retail licensee and would be contrary to Section C(1) of Regulation 03.02.05.09 (general advertising).

To assure compliance and to avoid any direct or indirect violation of the trade practice regulations, the

following guidelines should be followed:

- Any radio advertising that mentions the name and/or location of one or more specific retail licensees must be paid for by the retail licensee.
- A supplier or wholesaler may not make any formal or informal agreement with a radio station to use accrued credits or free spots for the benefit of one or more retail licensees.
- A live remote conducted by a radio station on the premises of a retail licensee may not be paid for directly or indirectly by a supplier or wholesaler and may not be concurrently conducted with any planned promotional activity pursuant to Regulation 03.02.05.12.

All licensees should review the various provisions of the trade practices regulations regarding these types of activities. If you have any questions, please contact Mr. Aaron L. Stansbury, Assistant Director, at 410-974-3319.

Charles W. Ehart, DPA
Director